

Petrobras / Swiss asset return

Case ID:

ARW-234

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Brazil

Position of Public Official(s) (yrs in office):

Unnamed senior executives of Petrobras

Jurisdiction of Asset Recovery:

Switzerland

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort; Location of Recovery Effort; Asset Location / Alleged Asset Location

Asset Recovery Start:

2014

Asset Recovery End:

2015

In part

UNCAC Offenses Implicated:

Art.15

Art.16

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Criminal forfeiture; Settlement agreement with account holders

Intl.Cooperation: MLAT/Letter of Request?:

MLAT

Basis for Intl Cooperation:

MLAT

Contributing Factors in Asset Recovery:

Ongoing, but the Swiss Office of the Attorney General stated that, "The Brazilian bribery scandal affects Switzerland's financial centre and its anti-money-laundering strategy, with result that the OAG has a close interest in contributing fully to the resolution of the scandal through its own investigations. Attorney General Lauber therefore discussed opportunities for mutual support in the ongoing criminal proceedings with his counterpart, Mr Janot." (Source: Office of the Attorney General of Switzerland, "Petrobras scandal: USD 120 million released to Brazil, March 18, 2015.)

Status of Asset Recovery :

Completed (in part) and Ongoing (in part)

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction (in part)

Investigation/Asset Tracing/Asset Restraint (in part)

Assets Returned (USD) - Description:

\$120,000,000 (March 2015)

Case Summary:

Petrobras is majority owned by the Federal Government of Brazil. (Source: Petrobras, Corporate Governance, "Capital Ownership Composition," at <http://www.investidorpetrobras.com.br/en/corporate-governance/capital-ownership>, last accessed September 14, 2015.)

In March 2016, the Office of the Attorney General (OAG) of Switzerland announced plans to unblock additional US\$70 million and return the Petrobras related assets to Brazil: "So far the OAG has received reports of around 340 suspicious banking relations from the Money Laundering Reporting Office (MROS) in relation to the international corruption affair involving the semi-state-owned Brazilian company Petrobras. In response, the OAG has since April 2014 opened some 60 investigations on suspicion of aggravated money laundering (Art. 305bis Sec. 2 Swiss Criminal Code (SCC)) and in numerous cases on suspicion of bribery of foreign public officials (Art. 322septies SCC). The OAG has requested the handover of documents relating to over 1,000 banking accounts from over 40 banking institutions. In view of the complexity of the investigations, a task force made up of various specialists from the OAG and supported by fedpol is conducting the proceedings. Two of the investigations opened by the OAG have been taken over by the Brazilian authorities and have already led to charges in Brazil. The OAG plans to request the Brazilian authorities to take over other investigations that have been opened in Switzerland.

In the course of these 60 investigations, around USD 800 million of assets held in Switzerland have been frozen. In spring 2015, USD 120 million of these assets were unblocked with the consent of the account holders concerned and arrangements made for the assets to be returned to the parties who have incurred related losses.

The beneficial owners of the Swiss accounts, for the most part ostensibly held by domiciliary companies, are senior executives of Petrobras and of its suppliers, financial intermediaries, Brazilian politicians and directly or indirectly Brazilian or other foreign companies." (Source: Office of the Attorney General of Switzerland media release, "Petrobras affair: Further USD 70 million of frozen assets to be unblocked and returned to Brazil," March 17, 2016.)

Disposition of Criminal Case(s):

In March 2016, the Office of the Attorney General (OAG) of Switzerland announced that "So far the OAG has received reports of around 340 suspicious banking relations from the Money Laundering Reporting Office (MROS) in relation to the international corruption affair involving the semi-state-owned Brazilian company Petrobras. In response, the OAG has since April 2014 opened some 60 investigations on suspicion of aggravated money laundering (Art. 305bis Sec. 2 Swiss Criminal Code (SCC)) and in numerous cases on suspicion of bribery of foreign public officials (Art. 322septies SCC). (Source: Office of the Attorney General of Switzerland media release, "Petrobras affair: Further USD 70 million of frozen assets to be unblocked and returned to Brazil," March 17, 2016.)

Jurisdiction of Origin: Investigative Agency:

Attorney General's Office

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Attorney General's Office



Jurisdiction of Asset Recovery: Investigative Agency:

Office of the Attorney General (OAG) of Switzerland; Money Laundering Reporting Office

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

Office of the Attorney General (OAG) of Switzerland

Documents:

Attachment	Size
 Petrobras_Swiss_OAG_Asset Return_Mar2015.pdf	108.69 KB
 Petrobras_Swiss_discussion_unblock additional 70m_Mar2016.pdf	85.92 KB

Other Sources:

Petrobras website, "Capital Ownership Composition," at <http://www.investidorpetrobras.com.br/en/corporate-governance/capital-ow...>, last accessed September 14, 2015);

Office of the Attorney General of Switzerland media releases, "Petrobras affair: Further USD 70 million of frozen assets to be unblocked and returned to Brazil," March 17, 2016, at <https://www.news.admin.ch/message/index.html?lang=en&msg-id=61034>; "Petrobras scandal: USD 120 million released to Brazil, March 18, 2015; at <https://www.news.admin.ch/message/index.html?lang=en&msg-id=56605>.